## Remarks

Favorable reconsideration of this application is requested in view of the following remarks. For the reasons set forth below, Applicant respectfully submits that the claimed invention is allowable over the cited references.

The non-final Office Action dated March 16, 2004, indicated that claims 1-3, 6-7 and 30 are objected to for typographical/grammatical reasons; claims 1-26 and 28-30 are rejected under 35 U.S.C. § 102(e) over Maeda (U.S. Publication No. 2003/0147462 A1); and claim 27 is rejected under 35 U.S.C. § 103(a) over Maeda.

With respect to the objections to claims 1-3, 6-7 and 30 for typographical/grammatical reasons, Applicant has overcome the objections by amending each of the objected-to claims. Applicant has also amended claims 18 and 22 in same manner as claim 2 to address the same objected-to language. Applicant notes that the objections were not related to any patentability issues and requests that the objections be removed.

Applicant respectfully traverses the prior art rejections because the teaching in the cited Maeda reference is far removed from the present invention and thus, there are no issues of patentability relative thereto. To the extent that Sections 102(e) and 103(a) have been raised in the Office Action, Applicant respectfully submits that the Maeda reference has been misinterpreted.

Applicant submits that there is no substantive relationship between the Maeda reference and the claimed invention and that a *prima facie* case of anticipation has not been presented. A *prima facie* case of anticipation of a claim requires a proper presentation of evidence that would allege correspondence between the cited teaching (e.g., from the Maeda reference) and each limitation in the claims. However, in connection with the Section 102(e) rejection, the assertions of correspondence are based on citations to Maeda that are unrelated to the claimed invention. The instant invention is directed to a process of encoding portions of subsequent frames using different ranges of quantization levels. Claim 1, for example, includes a process wherein blocks in another frame corresponding to blocks that were bypassed in a previous frame, are "encoded with one or more quantization levels in a second range . . ." (encoding clause at lines 6-8). Maeda is directed to isolating images from input moving image data. The Office Action mistakenly identifies the "fine quantization" used to encode Maeda's background images

(see page 3, paragraph 0068) with the above-noted aspects of the claimed invention. As discussed at paragraph 0068, Maeda teaches that the still image encoding unit encodes this background image as an entire still image. Maeda does not discuss Applicant's claimed portions of frames having different levels of quantization or quantization ranges, as claimed by Applicant. This is but one example of the incongruity between Maeda and the present invention. Moreover, a review of the Maeda reference reveals no use of the term "alternating," as indicative of the limitations found, for example, in claims 11, 13 and 15. While the Office Action generally provides citations to Maeda, none of the citations relate to any kind of encoding of corresponding blocks between subsequent frames.

With respect to the Section 103(a) rejection of claim 27, Applicant respectfully traverses. Claim 27 is dependent and distinguishable from the teachings of Maeda at least for the reasons discussed above. This rejection relies upon a modification of the above-distinguished teaching of Maeda, which results in a hypothetical embodiment that fails to correspond to the rejected claims for the reasons discussed above in connection with claim 1; for example, because Maeda fails to correspond to the clause at lines 6-8, the hypothetical embodiment also fails to correspond. In view thereof, Applicant respectfully requests that the rejection be withdrawn.

As each of the rejections is based on this apparent misinterpretation of the Maeda reference, the rejection of each of Applicant's pending claims should be removed.

In view of the above discussion, Applicant believes that the rejection has been overcome and the application is in condition for allowance. A favorable response is requested. Should there be any remaining issues that could be readily addressed over the telephone, the Examiner is encouraged to contact the undersigned at (651) 686-6633.

Respectfully submitted,

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